

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT
FARM SERVICE AGENCY

APPLICATION FOR PARTIAL RELEASE,
SUBORDINATION, OR CONSENT

STATE

COUNTY

CASE NO.

TYPE OF LOAN

(SPECIFY)

☐ DIRECT ☐ INSURED

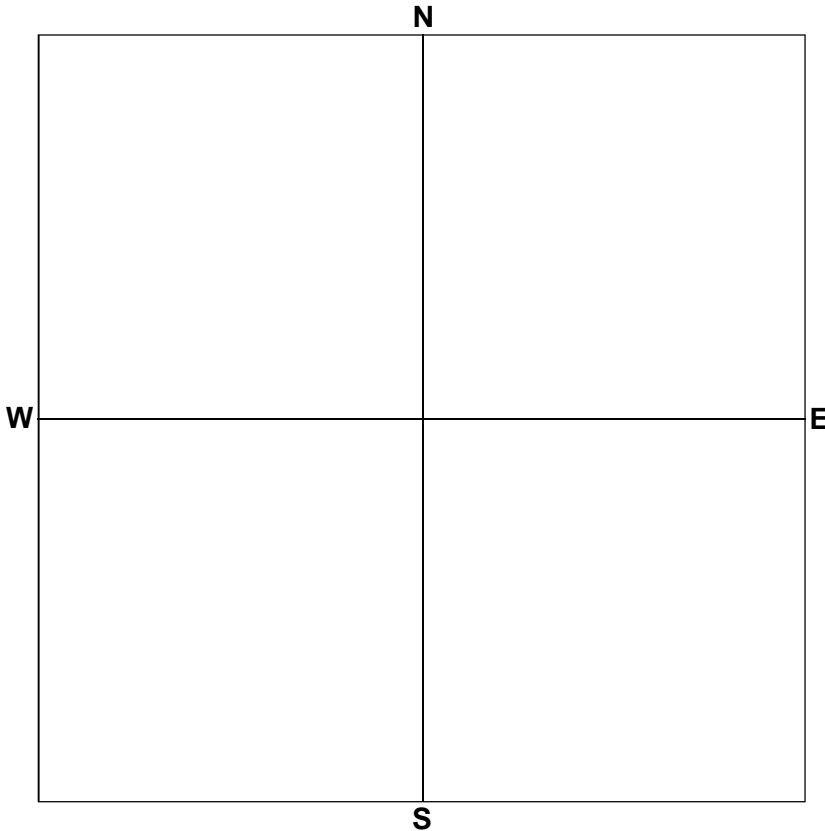
The undersigned _____
(Names of Borrower and Co-Borrower)

whose address (Including ZIP Code) is _____
in accordance with the terms of the security instruments now held or insured by Rural Development or the Farm Service Agency (hereafter referred to as "Agency") on their property, apply for release or subordination of the liens of said security instruments or consent to the following transaction.

(Description)

1. Plot of Property:

2. Prior lienholders listed in order:



3. The prior lien to which subordination is requested is to be held by:

4. The property to be leased or conveyed to:

5. Description of property to be covered by the release, subordination, or consent:

6. The use to be made of the property covered by this application is:

7. The anticipated proceeds from this transaction are:

Initial payment \$ _____

Subsequent payment(s) \$ _____

Other considerations:

If the borrower obtains a loan from another lender as a result of any subordination covered by this application, the lender must incorporate in the borrower's note a statement that the loan will be in default should any proceeds of the loan funds obtained as a result of this subordination be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

8. Subject to the provisions of Paragraph 7 it is proposed to use the proceeds as follows:

9. Have you or any member, stockholder, partner or joint operator of the entity borrower been convicted under Federal or State law of planting, cultivating, growing, producing, harvesting, or storing a controlled substance since December 23, 1985?

☐ Yes ☐ No

If yes, provide date of conviction and details on a separate sheet.

10. If this application is approved, the undersigned borrowers agree to comply with such terms as may be prescribed by Agency and to disposition of the proceeds as required by Agency pursuant to its regulations, including the method of applying payments to the borrowers' loan accounts. It is expressly understood that unless a separate written instrument of subordination or partial release is executed and delivered by Agency pursuant to this application, approval by Agency of this application will merely constitute and evidence its consent, as lienholder, to the proposed transaction without in any way subordinating its lien, releasing any of its security, modifying the payment terms of the loan, or otherwise affecting any rights of Agency.

The borrower(s) agrees that none of the funds obtained as a result of any subordination covered by this application will be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as explained in Exhibit M of Subpart G of Part 1940 of Title 7 of the Code of Federal Regulations.

Date _____

Signed _____

(Borrower)

(Co-Borrower)

1. The proposed transaction:
☐ WILL ☐ WILL NOT prevent or make more difficult the successful operation of this property.
☐ WILL ☐ WILL NOT reduce the efficiency of the property.

2. The proposed transaction will affect the value of this property as security for the loan as follows:

Present Market Value

- (a) Value of Real Estate Before _____
 (b) Value of Real Estate After _____
 (c) Value of Real Estate Disposed of _____

3. The following ☐ damages ☐ benefits will result to this property from the transaction:

I hereby recommend that this application be approved and that the proceeds be applied or released as follows:

INITIAL PAYMENT

\$ _____ To extra payment on Agency loan
 \$ _____ To regular payment on Agency loan
 \$ _____ To borrower as regular income
 \$ _____ To prior lien(s)
 \$ _____ Other (*specify*) _____

SUBSEQUENT PAYMENTS:

\$ _____ or _____ % To extra payment on Agency loan
 \$ _____ or _____ % To regular payment on Agency loan
 \$ _____ or _____ % To borrower as regular income
 \$ _____ or _____ % To prior lien(s)
 \$ _____ Other (*specify*) _____

Date _____

Recommended by _____

 (Title)

Date _____ ☐ Approved ☐ Disapproved by _____

 (Title)

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